

## AGENDA

### JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE

**Meeting:** 10:00 a.m., Wednesday, May 21, 2025  
Glenn S. Dumke Conference Center

#### Committee on Educational Policy

Diego Arambula, Chair  
Darlene Yee-Melichar, Vice Chair  
Raji Kaur Brar  
Wenda Fong  
Mark Ghilarducci  
Jonathan Molina Mancio  
Sam Nejabat  
Yammilette Rodriguez  
Christopher Steinhauser

#### Committee on Finance

Julia I. Lopez, Chair  
Jonathan Molina Mancio, Vice Chair  
Larry L. Adamson  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jack McGrory  
Christopher Steinhauser  
Darlene Yee-Melichar

#### **Consent Discussion**

1. Approval of Minutes, *Action*
2. Update on the Integration of California State University Maritime Academy and California Polytechnic State University, San Luis Obispo, *Information*
3. CSU Strategic Workgroup on Financial Aid, *Information*

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**MINUTES OF THE MEETING OF THE  
JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE**

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**Trustees of The California State University  
Office of the Chancellor  
Glenn S. Dumke Conference Center  
401 Golden Shore  
Long Beach, California**

**January 28, 2025**

**Members Present**

**Committee on Educational Policy**

Diego Arambula, Chair  
Darlene Yee-Melichar, Vice Chair  
Raji Kaur Brar  
Douglas Faigin  
**Wenda Fong**  
Mark Ghilarducci  
Lilian Kimbell  
Jonathan Molina Mancio  
Yammilette Rodriguez  
Christopher Steinhauser

**Committee on Finance**

Julia I. Lopez, Chair  
Jonathan Molina Mancio, Vice Chair  
Larry L. Adamson  
Douglas Faigin  
Mark Ghilarducci  
Leslie Gilbert-Lurie  
Jack McGrory  
Anna Ortiz-Morfit  
Christopher Steinhauser  
Darlene Yee-Melichar

Mildred García, Chancellor  
Jack B. Clarke, Jr., Chair of the Board

Trustee Arambula called the meeting to order.

**Consent Agenda**

The minutes of the November 20, 2024 meeting of the Joint Committee on Educational Policy and Finance were approved as submitted.

**Discussion Agenda**

**Item 2 – CSU Artificial Intelligence (AI) Strategy**

The CSU's strategy for artificial intelligence (AI) was presented for information. The CSU is partnering with the State of California and multiple leading AI technology firms to drive innovation

## **AMENDED**

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and responsible use of AI in higher education and for workforce development. Through this partnership the CSU aims to equip its students, faculty, and staff to lead the state in leveraging emerging AI technologies in higher education.

In January 2024, the CSU Generative AI Committee was formed with representatives from the California State Student Association (CSSA), the Academic Senate, deans, campus chief information officers, and academic technologists from across the system. The committee's work and recommendations were issued in a report in summer 2024 and are reflected in the CSU's AI strategy. The plan will provide access to AI tools and training to enhance the student experience, educate and prepare our faculty to teach using the latest tools and research capabilities, and empower staff leverage AI to optimize operations and make data driven decisions. To achieve these goals the CSU will focus on the following three key initiatives.

The AI Workforce Acceleration Board, made up of AI industry leaders, members of governor's cabinet, and CSU stakeholders will work together to identify and advocate for the AI skills needed in California's workforce and beyond. It will also host a series of AI challenges for all CSU students to apply their creativity and skills towards addressing a wide range of problems while connecting them to valuable internships and employment opportunities after graduation.

The CSU AI Commons Hub will provide equitable access to AI tools for CSU students, faculty, and staff at no cost to them. The AI Commons will host tools, models, and training resources from each of the industry partners as well as custom GPTs (AI assistants tailored to specific tasks or needs), and solutions developed by our university technology teams.

The AI Educational Innovations Program will support CSU faculty through innovation, evaluation and adoption. This program envisions the systemwide sharing of collaboratively designed faculty and professional development that reflects the tools and training in the AI Commons, supported by designated resources, incentives and recognition programs.

Two members of Governor Newsom's cabinet joined the presentation to share the State of California's AI Strategy. In 2023, an executive order was issued by the governor to explore use of AI to help the state streamline delivery of services. Areas of focus for the state include addressing issues with traffic and transportation, language services access for CA residents, streamlining of medical inspections, and AI assisted call centers. In partnership with the CSU and AI industry leaders, the State will also focus on workforce development and creating opportunities for students to have hands on experience.

Following the presentation, several trustees shared their excitement about the innovative partnership and commended the collaborative work being done across the system. Trustee Yee-Melichar asked about the timeline for implementing the AI strategy and how progress will be evaluated. She was informed that implementation will occur this year, with much happening over the next three months and that an external firm will be contracted to help develop assessment metrics.

Trustee Arambula expressed appreciation for the time taken to bring together a coalition of students, faculty, and staff of Chancellor's Office to delve into this topic. He highlighted the upcoming free access to the AI Commons Hub for all CSU students, faculty, and staff. Trustee Rodriguez asked if access to the CSU AI Commons Hub would be available to alumni and was informed that not in the current contract but could be an option in the future.

Trustee Arambula adjourned the meeting of the Joint Committee on Educational Policy and Finance.

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**JOINT COMMITTEE ON EDUCATIONAL POLICY AND FINANCE**

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**Update on the Integration of California State University Maritime Academy and California Polytechnic State University, San Luis Obispo**

**Presentation By**

Jeffrey D. Armstrong  
President  
California Polytechnic State University, San Luis Obispo

Michael J. Dumont  
Interim President  
California State University Maritime Academy

Jessica Darin  
Vice President, Strategic Initiatives and Advocacy  
California Polytechnic State University, San Luis Obispo

**Summary**

In November 2024, the California State University Board of Trustees approved the integration of California State University Maritime Academy (Cal Maritime) and California Polytechnic State University, San Luis Obispo (Cal Poly), marking a transformative effort to create a unified, future-focused public polytechnic institution. This integration addresses Cal Maritime's fiscal and enrollment challenges while creating synergies between the two institutions' academic strengths, industry partnerships, and missions.

Since the Board of Trustees approval, substantial progress has been made across administrative and academic domains including the establishment of a unified leadership structure, the launch of cross-campus Functional Implementation Teams (FIT), alignment of technology and operational systems, and the initiation of shared governance frameworks. While still in the foundational phase, these efforts have laid critical groundwork for an administrative integration in July 2025 and academic integration in fall 2026. The initiative is guided by a steadfast commitment to equitable student success and institutional sustainability, with early indicators such as potential for increased enrollment and aligned academic governance, demonstrating the integration's momentum and strategic possibilities. This bold reimagining of public polytechnic education in California serves as a model of innovation and collaboration within the CSU system and the broader higher education landscape.

## **Background**

At its November 2024 meeting, the CSU Board of Trustees approved the integration of Cal Maritime and Cal Poly. In doing so, the board recognized not only an urgent need to address Cal Maritime's fiscal and enrollment challenges but an extraordinary opportunity to create a distinctive, forward-looking public comprehensive polytechnic university.

By combining the unique yet complementary strengths of these two institutions, CSU is creating an integrated university with expanded reach, deeper industry relevance and a long-term commitment to equitable student success. The integration will preserve and grow the critical merchant mariner license-track degree programs that are so vital to the state and nation's economy, the maritime industry and national security. It will elevate Cal Poly's Learn by Doing model as a national exemplar while extending the University's impact into high-growth sectors such as the blue-green economy and offshore wind energy. It also creates new pathways for access broadening opportunity for an increasingly diverse student body across California and beyond.

## **Introduction**

This item provides an update on the progress made since the November 2024 Board of Trustees vote. It summarizes the activities now underway to execute the administrative and academic integration of the two institutions, including the development of shared leadership and governance structures, the planning and early implementation work being conducted by seven Functional Implementation Teams (FIT teams) which evolved from 23 initial workgroups and the initiation of key accreditation processes. It also highlights early progress on measurable success indicators, reflects continued focus on accountability and highlights the foundational work being done to ensure the integrated university's long-term success.

## **Strategic Management of the Integration's Scale and Complexity**

This integration is among the most complex operational and academic undertakings ever initiated in the CSU system. This work is taking place as Cal Poly undergoes its own university-wide transition from a quarter to semester academic calendar and planning for year-round operations, further increasing the scale and interdependency of decisions being made.

The integration brings together two long-standing, independently operating institutions, each with its own degree programs and admissions requirements, academic policies and governance structures, student support systems, technology platforms, business processes and deeply rooted campus cultures. Every aspect of the integration effort is shaped by the need to navigate these differences with care and precision while maintaining a focus on student success.

Underlying systems and infrastructure differ significantly. Cal Poly and Cal Maritime, for example, currently operate on two separate human resource systems. Cal Poly continues to use PeopleSoft, while Cal Maritime was among the first CSU campuses to implement the Common Human Resource System (CHRS). Efforts are now underway to determine whether it is more feasible to transition Cal Poly to CHRS or bring Cal Maritime back onto the legacy system, a decision that carries implications for staffing, training and long-term alignment.

This is just one example. Similar complexities extend across all operational areas. Auxiliary organizations such as Cal Poly's Associated Students, Inc. (ASI), foundations and university partners (Cal Poly Partners) are structured as separate 501(c)(3) entities, each with its own board, financial systems and dissolution requirements. Billing and budgeting systems, student records infrastructure and reporting protocols also differ. Integration must account not only for technical migration and data compatibility but for regulatory and legal compliance across multiple domains.

To manage this complexity strategically, the integration team has established a coordinated and layered structure shaping priorities, decisions and pacing, with student success as the central guiding principle. Seven Functional Implementation Teams, grouped thematically by operational and academic areas, lead the work. The FIT team model has proven essential to managing interdependencies, identifying issues early and reducing duplication of effort.

Not everything can or should happen at once. As an example, restructuring systems, aligning policies and managing institutional transitions are all essential and consequential activities. These are happening below the waterline and may not be visible to most stakeholders. While synergies are being leveraged, it is important to note it is much too early to quantify efficiencies. At this stage, the goal is alignment and coordination that will lead to optimization. Structural groundwork is being laid, but the realization of long-term efficiencies remains downstream and will depend on solving foundational system and infrastructure issues first.

### **Progress Made Since the November Board Meeting**

Since the Board of Trustees vote in November 2024, the integration effort has shifted from planning to action. Workflows have been organized, leadership roles have been defined, systems are beginning to align, and momentum is growing. The following sections summarize the measured, meaningful progress across key operational and academic domains progress that reflects the scale and complexity of the work, as well as the shared commitment to institutional transformation and student success.

## **Advancing Integration Through Implementation Teams**

The FIT teams have transitioned from planning to implementation. Each team is composed of subject matter experts from Cal Maritime, Cal Poly and the Chancellor's Office, with planning and sequencing support from the consulting firm Baker Tilly. The FIT teams are organized around seven thematic areas: academics; enrollment; student affairs; advancement, communications and external relations; financial, administrative and human resources; technology; and legal, regulatory and accreditation. Together, they function as part of a larger, coordinated structure that enables experts to work across institutions and focus areas aligning activities, managing interdependencies and advancing the integration in a deliberate, collaborative way.

The FIT teams continue to meet regularly and report through the project management team which includes leadership from each campus and the Baker Tilly team. In conjunction with the project management team the FIT teams have developed workflows, timelines and operational maps that are now being used to bring informed key decision points to the campus presidents as well as addressing emerging issues. The integration work has advanced alongside the full-time responsibilities of those involved. FIT team members continue to carry their full workloads at Cal Maritime, Cal Poly and the Chancellor's Office. Their continued progress reflects not only an elevated level of commitment and collaboration, but a deep understanding of how vital this work is to the future of both institutions.

## **Leadership Structure**

Significant work has also been done to establish the future leadership and organizational structure of the integrated university. Key leadership roles have been identified, including the vice president and chief executive officer (CEO) of the Solano Campus and the superintendent of the Cal Poly Maritime Academy. Final organizational charts are being reviewed from a budgetary and human resources perspective. These organizational charts reflect a single, integrated leadership model that preserves the distinctive identity and mission of the maritime academy while embedding it within the broader administrative and academic framework of Cal Poly. This organizational alignment will be presented to faculty and staff in the coming weeks and will be accompanied by supporting information regarding reporting lines, responsibilities and timing.

## **Infrastructure**

Cal Maritime faces several critical infrastructure challenges. Ongoing discussions are centered on the capacity and utilization of *Training Ship Golden State*, necessary renovations and replacement of the aging lower residence hall, stabilization of the western hillside and the planned pier upgrades required to accommodate the new vessel. Each of these projects represents a substantial investment, but also a pivotal opportunity. Without strategic planning and timely execution, these infrastructure gaps may limit the institution's ability to grow enrollment, retain students and offer a high-quality, residential maritime education experience aligned with student expectations and industry standards.

## **Administration**

A coordinated effort is underway to assess and align institutional contracts, policies and business processes. As part of this work, comprehensive inventories have been created to catalog existing contracts and agreements across both campuses. Several contracts, particularly those involving auxiliary services and major operational functions such as facilities, have already been consolidated or transitioned, and additional reviews are underway. This work is being approached with attention to continuity of service, regulatory compliance and long-term operational efficiency.

Similarly, integration planning is underway for major administrative systems, including those supporting finance, human resources, and student data. A recommendation on aligning platforms, particularly within the broader Enterprise Resource Planning (ERP) environment, is currently taking place.

## **Technology Integration**

Integration efforts have expanded to include the underlying technology infrastructure necessary to support shared academic and operational systems. A key step already completed is the alignment of network access between campuses, which now enables faculty and staff at Cal Maritime to use Cal Poly's systems for email, calendaring, the learning management system and other essential tools. This foundational move has significantly improved cross-campus collaboration and laid the groundwork for continued system-level integration. Future phases of this work will address broader IT architecture alignment, classroom technology and support for specialized instructional infrastructure at the Solano Campus.

## **Shared Governance**

A foundational principle of the integration effort is a commitment to shared governance. Since the Board of Trustees action in November 2024, deliberate steps have been taken to ensure faculty and student leaders from both institutions are engaged early and meaningfully in decisions that affect their roles and responsibilities. As the staffing plan develops, staff will also be engaged in meaningful dialogue with their respective vice presidents. These efforts reflect the importance of campus voice in shaping the future of the integrated university and acknowledge the practical and cultural work required to bring two communities together in pursuit of a common vision.

On the faculty side, collaboration has centered on the development of a unified academic governance structure and the preliminary stages of curricular planning. In March 2025, the Cal Poly Academic Senate passed a resolution to integrate Solano Campus faculty into its structure, thereby establishing a single faculty governance body. In April 2025, the Cal Maritime Faculty Senate passed a resolution to merge with the Cal Poly Academic Senate. These actions represent critical early milestones. It formalizes the collaborative relationships already underway between faculty leadership at both institutions and creates a framework for academic planning, curricular review and policy development to proceed in an inclusive way. In the 2025-2026 academic year

the integrated Cal Poly Academic Senate will create an ad hoc committee in collaboration with administrative staff to develop long-term shared governance plans, processes and practices. Additionally, in 2025-2026 faculty will revise the Academic Constitution bylaws to reflect the new status quo of the integrated Academic Senate. Concurrently, a formal faculty liaison role has been established, supported by regular communication and shared working sessions designed to facilitate ongoing engagement and alignment.

Student governance planning has followed a similar arc. Student leaders from Cal Maritime's Associated Students of the California Maritime Academy (ASCMA) and Associated Students (ASI) have worked together to design a "bridge year" approach that supports both continuity and transition. This model allows each governance structure to continue serving its current campus while building the foundation for a single student voice across the integrated university. Planning has included discussions around fee structures, student representation and integration of services. As the integration progresses, these student leaders will remain key partners in shaping the experience of future students at both the San Luis Obispo and Solano campuses.

### **Curricula Mapping**

Among the earliest and most consequential priorities is the mapping of academic programs and curricula, a foundational step in shaping an integrated academic experience that positions students for success. This work, conducted jointly by academic affairs leadership, institutional research teams and faculty representatives, involves detailed analysis of course catalogs, enrollment trends and degree requirements. The purpose of this mapping is to identify areas of potential overlap, to uncover opportunities for synergy and to guide the design of academic offerings that reflect industry demand and student interest.

Early findings were encouraging. Although the institutions serve distinct populations and missions, the initial mapping indicated limited redundancy and identified several clearly complementary areas across academic offerings. This has led to a successful mapping of all Cal Maritime faculty to Cal Poly departments and colleges. Next, the team will finalize this structure and fully integrate these academic units.

The curricula planning process is designed to support integration by the 2026-2027 academic year, with sufficient time for catalog updates, faculty review of some of the curriculum and accreditation compliance. Additional review of curriculum will occur during the Cal Poly 2026-2028 catalog cycle.

### **Accreditation**

The integration team has engaged extensively with the Western Association of Schools and Colleges Senior College and University Commission (WSCUC) to begin the accreditation work required to support administrative and academic integration. Early in the process, Chancellor Mildred García and Deputy Vice Chancellor and Chief Academic Officer Nathan Evans met with WSCUC leadership to establish open lines of communication and to outline CSU's proposed

approach. Since then, the first Substantive Change Form, addressing the administrative integration of the two campuses, has been submitted, reviewed, and revised in response to follow-up questions. The tone and tenor of these exchanges have been constructive, with WSCUC offering timely and thoughtful feedback. The integration team will continue to engage with WSCUC as additional components of the integration come under review, and the commission's guidance will be reflected in subsequent phases of academic planning and reporting.

### **Enrollment**

While much of the integration effort has focused on internal systems and governance structures, external indicators are beginning to show signs of positive momentum. Enrollment efforts for the Solano Campus have been expanded and are now being coordinated through Cal Poly's Strategic Enrollment Management (SEM) team, working in close partnership with Cal Maritime admissions office. As of March 29, 2025, more than 900 students have been admitted to the Solano Campus for the 2025-2026 academic year, a meaningful increase over prior years at this stage in the cycle and a strong early indicator.

Additionally, marketing and communications strategies have been updated across multiple channels to reflect the integration underway. This is an evolving effort, with messaging and outreach materials increasingly leveraging Cal Poly's broader brand presence to elevate visibility and begin unifying communications under a single university, while continuing to honor the distinct identity of Cal Maritime. These updates are intended to ensure that prospective students and families have a clear understanding of the integrated university's offerings and bolster faith in its future.

Institutional research teams are working to align enrollment data systems and refine projections to support strategic planning. FIT teams and enrollment leaders continue to assess student interest, application trends and yield potential in real time. Additional outreach, application and enrollment activity is expected in the months ahead as the Solano Campus builds toward full academic integration in 2026.

### **Measured and Meaningful Progress**

While full implementation remains a multiyear effort, the integration has entered a sustained period of execution. Tangible outcomes, such as shared system access, contract alignment, cross-campus governance structures and early enrollment momentum, reflect the coordinated work already underway across every major functional area. These early results signal measured, meaningful progress and a clear trajectory toward full academic and administrative integration by fall 2026.

## **Cultural Integration**

Merging two higher education institutions presents a valuable opportunity to build a shared culture rooted in the strengths of both communities. The common foundation in the Cal Poly Learn by Doing philosophy provides a natural starting point for uniting academic and maritime traditions. Cal Maritime's hands-on, experiential approach exemplifies this motto and offers a strong model for integration moving forward.

However, true cultural integration, across organizational structures, values, and identities, requires time, intention, and inclusive leadership. University leaders will foster open communication, shared purpose, and active participation from all stakeholders to ensure a successful transition. A clear, integrated vision and strategy continues to be essential in cultivating a cohesive community, strengthening institutional identity, and supporting enrollment growth and student success.

## **Establishing a Framework for Measuring Success**

Efforts to measure success are underway, but it is important to acknowledge many of the efficiencies and outcomes envisioned will take time to emerge. The integration remains in its initial stages, focused on alignment and coordination across systems, policies, and structures. While foundational progress has been significant, meaningful indicators of long-term impact such as improved student outcomes, cost savings or administrative streamlining will depend on continued infrastructure work and sustained implementation. Put another way, while we are looking at every effort to optimize, the most significant results will remain to be seen as the integrated university fulfills its promise to faculty, staff, and students in the new integrated environment. It is this early phase of building the infrastructure and pathways that will make optimization possible.

As the work progresses, goals and examples of key performance indicators (KPIs) are beginning to take shape.

Through the work of the FIT teams and in close coordination with campus leaders, a shared framework of integration goals has been developed. These goals are centered on student success, rooted in the lived realities of both campuses and shaped by the operational expertise of those leading the work. Each goal area reflects a core component of the integration effort. These are the areas in which progress will be tracked, and accountability measured. In some cases, early indicators are already being captured. In others, the groundwork is still being laid to support reliable measurement over time.

The following eight areas will anchor this evolving framework. Each represents a core pillar of the integrated university's future, with KPIs to be defined and implemented in step with evolving goals and operational milestones.

## **Leadership**

In addition to the successful hiring of the vice president and CEO and superintendent, existing leadership appointments at the Cal Poly campus will be designed to strengthen connectivity across campuses, enabling shared ideas, needs and strengths to inform university decision-making. Initial appointments for the critical vice president and CEO and superintendent positions are scheduled to be announced in May 2025.

## **Administrative Optimization**

The integration will achieve administrative optimization by streamlining operations, reducing overhead, and enhancing service delivery across a multi-campus environment while preserving robust support for academic programs, students, and employees. This effort includes identifying and eliminating duplicative processes, modernizing and integrating IT and financial systems, and redesigning administrative functions to align with the needs of a unified institution.

## **Infrastructure**

Leading up to and following the integration, the team will work to evaluate existing infrastructure, leveraging existing project management expertise to assess campus safety and environmental stability, student housing and facilities, and strategy for the new vessel and other maritime assets.

## **Enrollment**

The integrated university will work to increase enrollment in the license track degree programs with a focus on freshmen, transfer, and out-of-state students. Efforts will also target growth in applications, yield and retention, particularly for license-track degree programs. Enrollment goals are dependent on the need to increase student housing and the need to continue to develop the marketing, communication and enrollment strategies.

## **Campus Diversity and Student Success**

A primary objective is to improve equitable access for all students, ensuring that Cal Maritime better reflects the demographics of California. Equally important is the creation of a campus environment that fosters belonging, especially for historically marginalized students, staff and faculty.

## **Curricular Development**

Complete a comprehensive mapping and integration of academic programs and curricula to establish a cohesive and student-centered academic framework. This work led collaboratively by academic affairs and faculty through shared governance aims to identify curricular overlap, uncover opportunities for synergy, and inform the design of academic offerings aligned with student interest and evolving industry demand.

### **Accreditation**

All eligible programs will be reviewed to ensure they meet and maintain accreditation standards and are effectively marketed. Integration timelines, policies and procedures will continue to align with accrediting body expectations.

### **Financial Sustainability**

The integrated university will plan to boost revenue by increasing enrollment, developing new programs, diversifying revenue streams and exploring opportunities for efficiency in our processes. By combining the institutions, it will open up opportunities to create new partnerships and relationships that will support the university in various ways.

### **Conclusion and the Road Ahead**

The integration of Cal Poly and Cal Maritime is advancing with discipline and determination. Administrative integration remains on track for July 2025, with academic integration planned for fall 2026. These milestones reflect more than mere dates, they represent the steady building of a shared foundation that will support future students, faculty and staff across both campuses.

Throughout this work, the North Star remains unchanged: expanding student opportunity, advancing equity, and building a sustainable model that honors the distinctive identities of both institutions while positioning them for long-term success.

The future of Cal Poly, including the Solano Campus and the Cal Poly Maritime Academy, is being built with intention and momentum. What's taking shape is not just an administrative integration, but a bold evolution of what it means to be a public polytechnic university in California. It is a chance to lead nationally in specialized fields, expand hands-on learning into new sectors and demonstrate how the CSU system can respond creatively and collaboratively to complex challenges.

There is more work to do. But the strategic plan for the integration, shaped by strong leadership and brought to life by the dedication and expertise of those across both campuses, is succeeding.

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## JOINT COMMITTEE OF EDUCATIONAL POLICY AND FINANCE

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### CSU Strategic Workgroup on Financial Aid

#### Presentation By

Nathan S. Evans  
Deputy Vice Chancellor  
Academic and Student Affairs

April L. Grommo  
Assistant Vice Chancellor  
Strategic Enrollment Management

Dwayne Cantrell  
Vice President, Division of Strategic Enrollment Management and Student Support  
CSU Bakersfield

#### Summary

This is an information item to update the California State University (CSU) Board of Trustees on the progress of the CSU Strategic Workgroup on Financial Aid. The workgroup last presented to the board in January 2024, and at that time, the workgroup requested the board's endorsement of a set of fundamental principles and a policy framework to guide future financial aid disbursement practices across the CSU and to provide the basis for a detailed systemwide financial aid policy.

#### Background

The CSU Strategic Workgroup on Financial Aid was established in June 2023 by then-Interim Chancellor Jolene Koester. The convening of this workgroup came as a result of recommendations made by the Sustainable Financial Model Workgroup, which presented its final report to Interim Chancellor Koester in May 2023. In that report, the Sustainable Financial Model Workgroup made two recommendations to the chancellor that are relevant here: 1) appoint a financial aid workgroup to develop a comprehensive financial aid policy and 2) provide systemwide guidance and assistance to implement a CSU financial aid program.

Thus, the CSU Strategic Workgroup on Financial Aid was charged with: 1) recommending a comprehensive financial aid strategy and policy for the CSU; 2) developing an implementation plan to ensure that universities are equipped with the procedural requirements, infrastructure and flexibility to make student-by-student adjustments, within a set of consistent parameters; and 3) linking the policy to a clear message to Californians about the CSU's affordability.

As the cost of living and rising inflation continue to be of concern to students and families, college affordability and financial aid options are often crucial deciding factors in whether or not students choose to attend college and whether they can afford to remain enrolled through graduation. Financial aid programs play an important role in helping students pay for their postsecondary educational expenses and remain a critical element in allowing students to continue their educations at the CSU and, ultimately, to earn their college degrees.

To illustrate the significance and the impact of financial aid to CSU students systemwide, it is important to note that in the 2023-24 academic year:

- Nearly 369,000 students received more than \$4.9 billion in total financial assistance, and 79% of those students received that aid based on need.
- Almost 74% of undergraduate students enrolled in fall 2023 received some form of financial assistance.
- Nearly 50% of the CSU's 218,476 dependent undergraduate students received Cal Grant awards.
- Sixty-five percent of baccalaureate recipients graduated with zero education loan debt.

In January 2024, the Board of Trustees approved a resolution, presented by the Chancellor's Strategic Workgroup on Financial Aid, that consisted, in part, of the following guiding principles regarding student financial aid:

- The CSU's mission is to provide a quality, accessible, affordable education. Therefore, students should not be precluded from attending or succeeding at the CSU due to cost.
- Affordability is determined by the total cost of attendance (COA), not only tuition and fees. Accordingly, policies to increase affordability must focus on reducing the net COA (after accounting for grant aid and scholarships) for low-income students and on limiting student debt.
- State and federal grant aid should be maximized so that CSU funds can go further toward reducing COA and limiting student debt.
- Priorities for the use of State University Grant (SUG) funds should be consistent with, and supportive of, the CSU's efforts to increase graduation rates, reduce equity gaps and reduce the time to degree.
- Students are expected to contribute toward their CSU education, through work, work-study, scholarships, savings and/or borrowing, to an extent appropriate to their economic and family circumstances and consistent with sound educational and financial practices.
- Greater consistency across campuses in financial aid administration, brought about by stronger collaboration with and increased coordination from the Chancellor's Office, and tempered by appropriate flexibility to recognize distinctive campus characteristics, will better serve students.

### **Progress in Policy: 2025-26 Changes to State University Grant Policy**

The following recommendations for financial aid policy changes were made by the workgroup and approved by the Board of Trustees via resolution in January 2024. These policy changes will take effect systemwide beginning with the 2025-26 academic year.

*Policy Change 1: Continue to provide high levels of tuition grants for undergraduates.*

- Students with annual household incomes of up to \$75,000, who are not eligible for Cal Grants, will receive full tuition grants.
- Tuition grants will be provided to students with annual household incomes of up to \$125,000 who meet income eligibility requirements for Pell Grants and/or Cal Grants but who, for various reasons, do not receive federal or state grants. Tuition grants will also be provided to Cal Grant–eligible community college transfer students who exhaust their Cal Grant eligibility while enrolled in the CSU.

*Policy Change 2: Expand the SUG award to allow payment of non-tuition grants in order to reduce the net cost of attendance for students.*

- Funds in excess of those needed to continue prior levels of tuition grants will be awarded as stipends of up to \$5,000. Priority will be given to the students with the greatest financial need.
- If additional funds become available, grants of up to \$5,000 may be made to support the CSU's enrollment management goals.
- SUG awards will be limited to eligible students with annual household incomes of up to \$175,000.

*Policy Change 3: Maximize available federal and state financial aid via the strategic allotment of Cal Grants.*

- All eligible students who begin as first-time, first-year students (i.e., freshmen) will receive a Cal Grant A award to cover their tuition costs.
- Students who are eligible for a Cal Grant B award will receive a SUG award for their first year of attendance and a Cal Grant B access grant. In following years, students who are eligible for a Cal Grant B award will receive both a tuition grant and an access grant. This change will be coordinated with the Department of Finance and the California Student Aid Commission.

*Policy Change 4: SUG awards will be limited to tuition and cost of attendance stipends based on systemwide criteria. The allocation of SUG awards for campus-based fees will end, as these may vary greatly from campus to campus. This will ensure that similarly situated students will receive consistent financial aid awards at any CSU they attend.*

*Policy Change 5: Graduate/postbaccalaureate SUG awards will be limited to their proportional share of student enrollment.*

*Policy Change 6: Full tuition grants will be limited to students with annual household incomes of up to \$125,000.*

The complete rationales behind each of these policy changes can be found in the written agenda item for the workgroup's January 2024 presentation to the Board of Trustees.

### **Progress in Infrastructure: Systematizing and Streamlining Financial Aid Administration**

Achieving a unified technology system is an important piece of the CSU's new collaborative financial aid model, which will empower campuses to innovate, share best practices and seamlessly work together toward a streamlined, consistent student experience, as well as collective operational success.

All universities currently use the PeopleSoft Campus Solutions (PeopleSoft) common management system (CMS) to administer financial aid processing. To streamline and systematize the processing and awarding of financial aid more immediately, the CSU completed a request for proposal (RFP) process for a financial aid automation platform compatible with PeopleSoft's financial aid module. The RFP was awarded to Ellucian for its Student Forms and Communicator platforms, which are being launched for the 2025-26 award year.

Ellucian Student Forms is designed to automate and streamline financial aid processes through simplified workflows, while also limiting the collection of unnecessary forms. It is used to process key financial aid data, allowing students to upload documents and universities to efficiently process them. Ellucian Student Forms has significantly reduced manual data entry and other administrative tasks, enhancing overall efficiency and accuracy in financial aid management. The Chancellor's Office fully funded the licensing of this comprehensive software tool for all 23 universities, provided technical support for its implementation and partnered with Unisys to provide additional technical implementation support.

Ellucian Communicator is a platform designed to assist higher education institutions in managing student communications throughout their academic journeys. It facilitates the transmission of follow-up messages to obtain missing information, the sending of award letters, and the delivery of email notifications to students in order to enhance engagement, streamline manual administrative processes and improve the student experience. The Chancellor's Office fully funded the adoption of Ellucian Communicator for all 23 universities and provided technical support for its implementation. The platform will be implemented systemwide to bring consistency to the financial aid communications experience for students.

As an additional strategy for improving financial aid communications, in September 2023, the CSU, along with more than 360 institutions of higher education, joined the College Cost Transparency Initiative, voluntarily committing to a set of common principles and standards to ensure transparency, clarity and understanding when communicating with students about financial aid offers. These agreed-to principles include:

- The primary purpose of student financial aid offers is to provide clear, accurate, consumer-friendly information about college costs and financial aid eligibility.
- Financial aid offers should be transparent, ensuring that costs are understandable for students and their families. Financial aid offers should include the most accurate estimate possible of a student's costs.
- All types of aid offered should be described and explained using standardized, plain language.
- Colleges and universities should strive to embrace the use of innovative technologies to create financial aid offers in formats that best serve the needs of their unique student populations, which may include dynamic and interactive components.

This nationwide transparency initiative aligns with the workgroup's goal of delineating a communications strategy that provides clear, timely and easy-to-understand information about available financial support to potential and current students and their families. These efforts will be amplified by the implementation of the Ellucian Communicator technology platform discussed above, which will streamline and standardize financial aid communications to students systemwide.

In conjunction with the emerging student success framework and ongoing strategic enrollment planning efforts, the CSU Strategic Workgroup on Financial Aid enlisted the support of its consulting partner, Deloitte LLP, to examine possible operational changes and the opportunities to collaborate across the system in order to more efficiently process and award financial aid.

The first step in this process is to identify technology differences in the existing PeopleSoft financial aid modules across the 23 universities and to develop a vision for improving systemwide technology and business processes. These initial steps are intended to ultimately lead to increased campus collaboration, lay the foundation for regional or systemwide financial aid processing, and deliver improved student access and services.

In addition to the consistent student information systems and the systemwide adoption of Ellucian products discussed above, all universities are expected to utilize the TD Client and NextGen Scholarship Manager software programs to enhance their daily operations. These implementations are currently in progress and will be a critical component of the CSU's long-term financial aid standardization strategy.

TD Client is a command-line software solution specifically designed to assist in the electronic management of federal student aid information. NextGen Scholarship Manager is a comprehensive software solution designed to streamline the administration and management of scholarship programs. It facilitates efficient application processing, application review and award management, ensuring a smooth experience for both administrators and applicants. Currently, 11 universities are using the system or are in the process of implementing it.

### **Progress in Communications: A Clear, Consistent Message**

The workgroup is currently exploring the development of a clear, consistent message to Californians about the affordability and value of a CSU education. In recent meetings, the workgroup has reviewed national data on student and family perceptions of college affordability, considered financial aid and affordability branding utilized by other colleges and universities, and discussed possible messaging that complements both new student recruitment and student retention and success efforts. The workgroup expects to unveil its communications strategy recommendations in its final report.

### **Conclusion**

The Chancellor's Strategic Workgroup on Financial Aid is scheduled to meet through June 2025, and intends to release its final report and recommendations for future actions in summer 2025.